



State of Utah

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DWS News Release

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UTAH'S EMPLOYMENT SITUATION: November 2006

Utah's number of non-farm wage and salaried jobs remained strong over the past year with an increase of 4.9 percent for November, 2006. Approximately 57,700 new jobs have been created in the Utah economy over the past year, raising total wage and salary employment in Utah to 1,235,600. Utah remains one of the best performing economies in the nation. Utah's October employment growth rate was revised up from 5.0 percent to 5.1 percent.

Utah's other primary indicator of current labor market conditions, the seasonally adjusted unemployment rate, registered 2.6 percent in November, down 1.5 percentage points from the unemployment rate of 4.1 percent registered a year ago in November, 2005. Approximately 34,700 Utahns were unemployed in November 2006 as compared to 51,800 in November 2005. October's unemployment rate is unrevised at 2.5 percent. The United States' unemployment rate rose insignificantly to 4.5 percent in November.

Mark Knold, chief economist for the Department of Workforce Services commented, "Utah's economy is still doing very well, but we have probably passed the high point of the business cycle that started in late 2003. From here forward will be a slow, and at times imperceptible, movement downward to a more moderately performing economy. Given the current exceedingly low unemployment rate, there really isn't any place for the employment growth rate to go but down. You cannot sustain top-of-the-historic-scale employment growth with an unemployment rate that has fallen into the basement. This level of unemployment speaks of a maxed out labor force. The workers just are not there to further support extreme growth. Only huge amounts of in-migration would allow Utah to maintain its current economic level."

Since November 2005, the United States' economy has added 1.8 million new jobs—a growth rate of 1.3 percent. The approximately 57,700 new jobs in Utah represents about 3.2 percent of all the new jobs added in the United States over the past year.

All employment sectors in Utah continue to add new jobs. This ranges from 14,500 new jobs in construction over the past year to 1,200 new jobs in the small sector called 'other services.' The information sector also added 1,200 new jobs. Since March of 2004, all of Utah's industrial sectors have been adding jobs. That is a noteworthy stretch of two and one-half years, and it is showing no signs of imminent change.

Construction employment continues to lead the way as it has done throughout this year. With the amount of activity that is ongoing and the amount that is announced for future activity—led

Utah Labor Market Indicators November 2006

Employment Growth: 4.9%
Employment Increase: 57,700
Unemployment Rate: 2.6%

United States

Employment Growth: 1.3%
Unemployment Rate: 4.5%

by the LDS Church's redevelopment in downtown Salt Lake City—construction looks well set to keep its run going through 2007.

Building new homes is the foundation of Utah's construction industry, and the state's abundance of 20 to 30 year-olds means that, as they form households over the next 10 to 15 years, Utah's home building should remain robust. The commercial environment then adds its two cents to the mix. Looking forward a year or two, there are plenty of planned Utah projects to keep the commercial portion vibrant. Notable announcements in addition to the LDS Church's downtown development include the Legacy Highway, Hamilton Partners' office tower (Salt Lake City), Real soccer stadium (Sandy), St. Regis 5-Star hotel (Deer Valley), and the Ben Lomond Hotel restoration (Ogden), just to name a select few. There are many more on the list.

The slight slowing in the Utah economy is largely a function of slowing employment gains in professional and business services. All of the other industrial sectors are performing pretty much as they did four to five months ago. Only the professional and business services sector is showing a slight moderation. Even with that, this is still the second best sector in terms of new jobs added, generating around 10,400 over the past year. A few months ago the year-over gain was around 12,000 jobs in this sector.

Within professional and business services, it is employment activity in the temporary help sector that is showing the moderation. Granted, the area is still growing at close to 10 percent, but we had seen gains of 15 to 20 percent earlier in the year. With a shrinking labor pool the byproduct of a 2.6 percent unemployment rate, a slowing in this short-term-focused labor segment is not only natural, but expected. If this segment were not slowing, given Utah's low unemployment rate, it would be puzzling to explain why not.

With the unemployment rate so low (which translates to a shortage of available additional skilled workers) and the projected slowing in Utah's future employment growth rate, what industries are vulnerable and would contribute to this slowing? To some degree all have a slight level of vulnerability, but the industries whose market costs and structure demand the lowest possible wage levels are the industries that could struggle the most going forward. Two that come to mind are the leisure and hospitality industry (restaurants and hotels), and the retail trade industry. These are areas highly dependent upon labor. There are limited opportunities to substitute machines and new processes for people, so these are labor-intensive industries. But they also do not demand a high or specialized skill level from their potential labor force. So there is a large segment of the labor force (whether employed or unemployed) that have the skills to work in these industries. But is that labor pool already employed in other industries that pay higher wages? Therein lies the potential problem of an ultra-heated economy. Does it price labor out of the reach of industries whose cost structure forces them to operate in the low-wage arena?

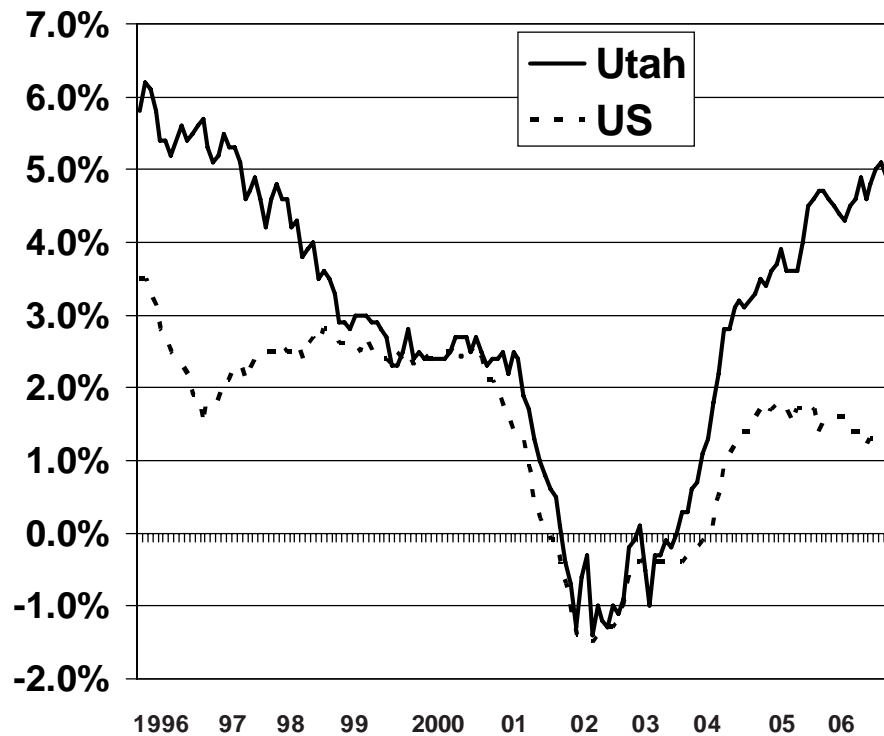
Utah's December employment numbers will be released at 9:00 a.m. on Tuesday, January 16, 2007.

Utah Nonagricultural Jobs by Industry and Components of the Labor Force

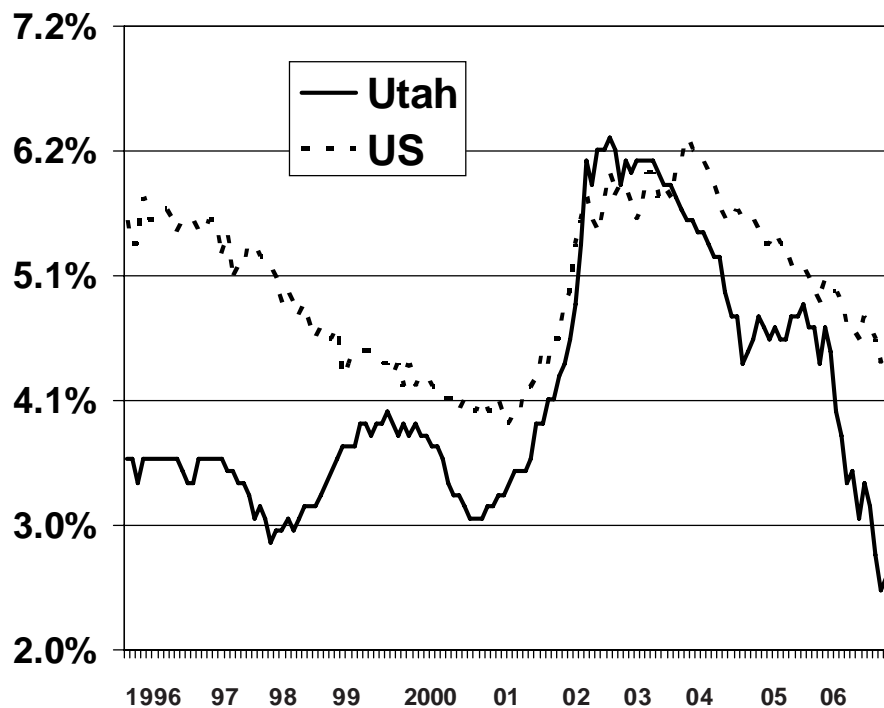
Numbers are in thousands and are not seasonally adjusted.	November(f) 2006	November 2005	Percentage Change	October(r) 2006	October 2005	Percentage Change
CIVILIAN LABOR FORCE	1,334.2	1,285.9	3.8	1,318.3	1,285.9	2.5
Employed	1,302.1	1,235.4	5.4	1,287.9	1,235.4	4.2
Unemployed	32.1	50.5	-36.4	30.4	50.5	-39.8
Unemployment Rate	2.4	3.9		2.3	3.9	
NONAGRICULTURAL EMPLOYMENT (Thousands)	1,235.6	1,177.9	4.9	1,229.5	1,169.8	5.1
GOODS PRODUCING	234.3	214.3	9.4	233.9	213.5	9.6
Natural Resources, and Mining	10.7	9.1	17.3	10.7	9.0	19.0
Construction	101.6	87.1	16.6	101.6	86.9	17.0
Construction of Buildings	22.7	19.4	17.2	22.7	19.2	18.3
Heavy and Civil Engineering	10.0	8.8	13.8	10.3	9.1	
Specialty Trade Contractors	68.8	58.9	16.8	68.6	58.6	17.1
Manufacturing	122.1	118.2	3.3	121.6	117.6	3.4
Durable Goods	81.5	78.8	3.4	81.3	78.5	3.5
Primary and Fabricated Metals	16.1	15.2	6.0	16.1	15.1	6.9
Computer and Electronic Products	11.2	10.9	2.2	11.1	10.9	1.8
Transportation and Equipment Manufacturing	14.4	14.4	0.7	14.5	14.3	0.9
Non-Durable Goods	40.6	39.4	3.2	40.3	39.1	3.0
SERVICES PROVIDING	1001.3	963.4	3.9	995.6	956.3	4.1
Trade, Transportation, and Utilities	242.8	234.6	3.5	238.1	229.9	3.6
Wholesale Trade	45.9	44.2	3.8	45.8	44.0	4.1
Retail Trade	147.0	141.8	3.7	142.7	137.7	3.6
Motor Vehicle and Parts Dealers	17.9	17.2	3.7	18.0	17.3	3.7
Food and Beverage Stores	23.6	23.0	2.4	23.4	22.9	2.2
General Merchandise Stores	29.3	29.1	0.8	27.4	27.1	1.3
Transportation and Utilities	49.9	48.6	2.7	49.6	48.2	2.8
Utilities	4.1	3.9	3.2	4.1	4.0	3.2
Transportation & Warehousing	45.8	44.6	2.7	45.5	44.3	2.8
Air Transportation	6.6	6.8	-3.2	6.6	6.9	-3.7
Truck Transportation	18.6	18.0	3.3	18.5	17.9	3.5
Information	33.9	32.7	3.9	33.8	32.4	4.2
Publishing Industries	9.4	9.2	1.3	9.5	9.3	1.4
Motion Picture and Sound Recording	5.1	4.8	6.5	4.6	4.7	-0.2
Telecommunications	6.3	5.8	7.5	6.3	5.7	10.1
Internet Service Providers	8.1	8.2	-1.9	8.0	8.1	-2.0
Financial Activities	72.6	69.1	5.0	72.5	68.7	5.4
Finance and Insurance	54.5	52.3	4.2	54.5	52.0	4.7
Real Estate and Rental and Leasing	18.1	16.8	7.7	18.0	16.7	7.7
Professional and Business Services	162.8	152.4	6.9	162.5	151.6	7.2
Professional, Scientific, and Technical Services	63.2	57.3	10.2	62.7	56.5	11.0
Architectural, Engineering, and Related	12.3	11.1	10.5	12.2	11.0	10.4
Computer Systems Design and Related	14.3	13.1	9.0	14.1	12.9	9.4
Management of Companies and Enterprises	21.3	21.2	0.7	21.2	21.1	0.5
Administration & Support						
& Waste Management & Remediation	78.3	73.9	6.0	78.6	74.0	6.3
Employment Services	28.5	26.0	9.6	28.0	25.5	9.8
Business Support Services	17.0	16.8	1.2	16.7	16.6	0.8
Education and Health Services	138.2	132.8	4.1	137.6	131.9	4.3
Educational Services	32.5	30.9	5.1	32.4	30.7	5.5
Health Services and Social Assistance	105.7	101.8	3.8	105.2	101.2	4.0
Ambulatory Health Care Services	40.4	38.7	4.5	40.2	38.4	4.7
Hospitals	30.4	29.5	3.0	30.2	29.3	3.2
Nursing and Residential Care Facilities	19.9	19.0	4.4	19.8	19.0	4.4
Social Assistance	15.1	14.6	3.0	15.0	14.5	3.3
Leisure and Hospitality	106.2	102.5	3.6	107.1	103.1	3.8
Arts, Entertainment, and Recreation	15.9	15.2	4.2	16.1	15.4	4.3
Accommodation and Food Services	90.4	87.3	3.5	91.0	87.7	3.7
Accommodation	16.7	16.1	3.6	17.3	16.7	3.7
Food Services and Drinking Places	73.7	71.2	3.5	73.7	71.1	3.7
Other Services	34.4	33.2	3.6	34.2	33.1	3.4
Government	210.2	206.1	2.0	209.8	205.6	2.1
Federal Government	35.9	35.1	2.3	35.9	35.1	2.2
Federal Defense	16.7	16.4	1.7	16.6	16.3	2.0
Other Federal Government	19.2	18.6	2.8	19.2	18.8	2.3
State Government	65.1	63.8	2.0	64.7	63.4	2.0
State Schools	36.5	35.8	1.7	36.2	35.4	2.1
Other State Government	28.6	27.9	2.3	28.5	28.0	1.9
Local Government	109.3	107.2	2.0	109.3	107.0	2.1
Local Education	63.6	63.0	0.8	62.6	62.3	0.5
Other Local Government	45.7	44.2	3.6	46.6	44.7	4.3

Source: Utah Department of Workforce Services f = forecast r = revised December 19, 2006

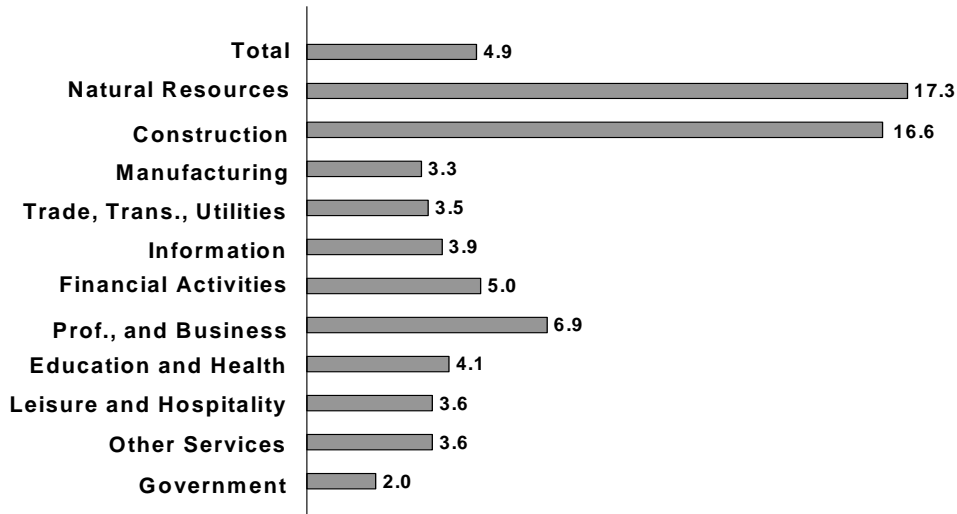
Year-Over Percent Change in Nonfarm Jobs



Seasonally Adjusted Unemployment Rates



Utah Nonfarm Job Growth (Percent Change) November 2005 – 2006



Source: Utah Department of Workforce Services

Utah Nonfarm Job Growth (Numeric Change) November 2005 – 2006



Source: Utah Department of Workforce Services

NONFARM EMPLOYMENT IN UTAH'S COUNTIES

	Nov. 2006(f)	Nov. 2005	Percent Change	Oct. 2006(r)	Sep. 2006(r)
State Total	1,235,639	1,177,920	4.9	1,229,459	1,225,909
Bear River	70,206	68,212	2.9	70,099	69,758
Box Elder	20,226	19,327	4.7	20,235	20,387
Cache	49,310	48,317	2.1	49,145	48,476
Rich	670	568	17.9	719	895
Wasatch Front	809,287	774,459	4.5	804,795	801,760
North	198,943	191,156	4.1	198,958	198,603
Davis	102,151	98,052	4.2	102,885	101,617
Morgan	1,946	1,851	5.1	1,951	1,990
Weber	94,847	91,253	3.9	94,122	94,996
South	610,344	583,303	4.6	605,837	603,157
Salt Lake	595,416	568,915	4.7	590,959	588,150
Tooele	14,928	14,388	3.8	14,878	15,007
Mountainland	209,492	199,380	5.1	207,243	206,618
Summit	19,802	18,800	5.3	18,765	19,501
Utah	182,711	174,550	4.7	181,535	180,178
Wasatch	6,979	6,030	15.7	6,942	6,939
Central	24,345	23,206	4.9	24,481	24,756
Juab	3,583	3,068	16.8	3,650	3,705
Millard	3,911	3,871	1.0	3,925	3,948
Piute	320	303	5.5	321	328
Sanpete	7,418	7,295	1.7	7,356	7,440
Sevier	8,064	7,700	4.7	8,083	8,150
Wayne	1,049	969	8.3	1,147	1,185
Southwestern	78,356	72,509	8.1	78,547	78,607
Beaver	1,967	1,919	2.5	2,015	2,069
Garfield	2,033	2,011	1.1	2,392	2,687
Iron	17,933	16,609	8.0	17,790	17,660
Kane	3,070	2,825	8.7	3,219	3,501
Washington	53,353	49,145	8.6	53,131	52,690
Uintah Basin	21,277	18,757	13.4	21,185	21,237
Daggett	452	446	1.3	498	564
Duchesne	6,873	6,030	14.0	6,858	6,878
Uintah	13,952	12,281	13.6	13,830	13,795
Southeastern	22,677	21,397	6.0	23,109	23,172
Carbon	10,037	9,381	7.0	9,920	9,705
Emery	4,147	3,888	6.7	4,126	4,180
Grand	4,422	4,208	5.1	4,890	5,051
San Juan	4,071	3,920	3.9	4,174	4,237

f = forecast r = revised but not final.

Note: Numbers have been left unrounded for convenience rather than to denote accuracy.

Source: Utah Department of Workforce Services, Workforce Information, 12/19/06